

PUBLIC DISCLOSURE

December 4, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**CAPITAL COMMUNITY BANK
33823**

**3280 North University Avenue
Provo, Utah 84604**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square
San Francisco, California 94105**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Capital Community Bank** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **December 04, 2006**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

Capital Community Bank was evaluated using the Small Bank evaluation guidelines, which is defined by the Community Reinvestment Act (CRA) as a bank that had total assets of less than \$1 Billion as of December 31st each of the two prior calendar years.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

Capital Community Bank demonstrates an overall reasonable response to the credit needs of its assessment areas. The following factors support the above rating.

- All the loans sampled for year to date 2006 were predominantly dispersed to businesses within the banks assessment area (82 percent).
- The geographic distribution of small business loans sampled reflects an adequate dispersion among the low- and moderate-income geographies when compared to assessment area demographics.
- The lending to businesses of different sizes reflects an excellent penetration among businesses that have gross annual revenues of less than or equal to \$1 million.
- The bank's average loan-to-deposit ratio of **78%**, based on the twenty one quarters preceding this evaluation, reflects a satisfactory response to the credit needs of its assessment areas.
- No substantive violations of the anti-discriminatory laws and regulations were identified.
- The bank, offers free deposit courier service during regular business hours to its commercial and consumer customers in Utah County.

DESCRIPTION OF INSTITUTION

Capital Community Bank (CCB) is headquartered in Provo, Utah County, Utah. The bank also maintains two additional branches in Orem and Pleasant Grove, which are also located in Utah County. The bank operates under the corporate structure of Capital Community Bankcorporation, a one bank holding company in Provo Utah.

The bank provides its customers with a full range of traditional business and personal banking products, such as, commercial real estate loans, small business loans, equipment financing, lot loans, construction loans, residential mortgages, home equity lines of credit, and personal consumer loans. In addition, the institution also offers a variety of demand deposit and savings products. The bank also makes convenient alternative delivery systems available such as ATM/Debit cards, TelXPress (24 hour) automated telephone access, internet banking, wire transfers, and deposit courier services; plus convenient on site safe deposit boxes, travelers checks, and additional extras leaning towards helping senior citizens, such as free customized checks, official checks, certified checks and free first year free rental on safety deposit boxes.

As of September 30, 2006, the Consolidated Report of Condition (Call Report) reflects \$97,677,000 in total assets with total loans of \$69,761,000. CCB is primarily a Construction and land development lender, with these loans representing approximately 40% percent or \$27,882,000 of the bank's total portfolio. Commercial and industrial loans make up another \$26,377,000 or 38% of the portfolio.

Table 1 below, reflects the composition of the institution's loan portfolio as of September 30, 2006.

Table 1- Capital Community Bank / Loan Portfolio		
Type of Loan	Amount (000's)	Percentage
Construction and Land Development, and other land loans	27,882	41%
Revolving open-end loans secured by 1-4 family residential dwellings, extended under lines of credit	2,780.	4%
Closed-end loans secured by 1-4 family residential properties		
a) Secured by 1 st Liens	a) 10,187	a) 15%
b) Secured by Junior Liens	b) 812	b) 1%
Secured by multifamily (5 or more) residential properties	267	Negligible
Secured by non farm residential properties	17,753	25%
Loans for agricultural production & other loans to farmers	360	1%
Commercial/Industrial loans	8,624	12%
Other Revolving Credit Plans	261	Negligible
Consumer loans (single PMT/Installment / Student Loans)	827	1%
All Other loans	8	Negligible
GROSS LOANS	69,761	100%
LESS: Unearned Income	0	0
TOTAL NET LOANS	69,761	100%

Source: Report of Income and Condition as of September 30, 2006 / Dollar amounts in thousands (000's)

DESCRIPTION OF CAPITAL COMMUNITY BANK'S ASSESSMENT AREA

CCB has designated its assessment area as Utah County which is located within the Provo-Orem Metropolitan Statistical Area (39340). The assessment area consists of 85 contiguous census tracts. The distribution of census tracts by income level is shown in Table 2 below.

Table 2 – Census Tract Income Levels Utah County		
Census Tract Income Level	Number of Census Tracts	Percent of Census Tracts
Low-Income	7	8%
Moderate-Income	12	14%
Middle-Income	39	46%
Upper-Income	24	28%
N/A	3	4%
Total	85	100%

CRA Wiz Data Source: 2006 Business Geodemographic Data

According to the 2000 Census, the total population of the assessment area was 368,536. Based on the 1990 estimates from the U.S. Census Bureau, the population was 262,807. Since then the area has grown by approximately 105,729 additional residents. The HUD adjusted MSA Median Family Income is presently estimated at \$56,150.

Table 3 below, depicts the breakdown of the number of small businesses by census tract income level within the Bank's assessment area.

Table 3 – Small Businesses by Geographical Census Tracts Provo-Orem MSA (39340)	
Census Tract Type	% of Total
Low-Income	5%
Moderate-Income	13%
Middle-Income	26%
Upper-Income	19%
N/A	37%
Totals	100.%

CRA Wiz Data Source: 2006 Business Geodemographic Data

DEMOGRAPHICS

The Provo-Orem MSA - Metropolitan Statistical Area (36260), is nestled at the base of the Wasatch Range of the Rocky Mountains just 40 minutes south of Salt Lake City. Most of the MSA is made up of Utah County, which is known regionally as Utah Valley. The area is bound on the east by snow-capped Mount Timpanogos and on the west by 139-square mile Utah Lake.

At the center of this recreational region are the sister communities of Provo and Orem, which together form the second-largest metropolitan area of Utah. The combined communities is regularly cited in surveys as among the best places to live in America, with healthy, highly educated work force, relatively low taxes, little poverty and crime. The strong work ethic of the Mormon Church, the predominant religion, and BYU (Brigham Young University)'s, 30,000 plus students of higher education, are credited with supplying a bright, young workforce to the area. The church's practice of sending young people as missionaries around the world has rendered a society with a high level of literacy in foreign languages, a phenomenon conducive to success in a global marketplace. Major employers in the county include the Wal-Mart Mart District Office with (4,500 full-time employees); the Alpine School District (4,280); Brigham Young University (4,092); Utah Valley Regional Medical Center (2,700); Provo School District (1,700); Nestle USA-Food Group Inc.(1,600); Clyde Companies Inc.(1,500); Nebo School District (1,318); Nu-Skin Enterprises(1,300); and the Modus Media International with (1,200) full time employees.

Utah County is the world headquarters of computer software giants, state-of-the-art university research facilities, sprawling fruit orchards and peaceful majestic mountains. These communities continue to receive national recognition as an ideal place to live and work because of their high standards in education, health care, and rich cultural and recreational opportunities. Rich agriculture and livestock traditions still thrive within the rural communities surrounding Provo and Orem. Sophisticated irrigation systems still allow for fertile green pastures to flourish in an otherwise dry terrain. The orchards of Utah County produce more than 76 percent of the fruit grown in the state, including some of the world's finest peaches and pie cherries.

Some of Utah County's recent on going accomplishments include the approval for spending \$52,000 towards a \$104,000 feasibility study on a convention center in the county seat. The Provo city counsel, acting as the Provo Redevelopment Agency, is also considering building a convention center. The bankrupt Geneva Steel sold its core steel-making equipment to an Oriental firm for \$40 million; together with a projected \$90 million for the steelmaker's water rights, which is projected to bring water to thousands of homes, businesses and light industrial facilities that are envisioned for a 1,700-acre vineyard site. Another former Provo company that had lost welders and machinists to Geneva Steel in the late 1980s wants its prodigals to return home. Chicago Bridge & Iron (winner of a contract to manufacture 150 massive steel support towers for wind turbines), will boost it's workforce at its Provo plant from 40 to more than 100. Moreover, Utah County is projecting to be home to more than 1 million people by 2040, a fact that has city and county officials brainstorming over how to best control the populations' growth patterns.

The following table breaks-down the most current demographic information for Utah County:

TABLE 4 - DEMOGRAPHIC INFORMATION FOR ASSESSMENT AREA						
Utah County / Activity Year 2006						
Demographic Characteristics	#	Low % of #	Mod % of #	Mid % of #	Upper % of #	N/A * % of #
Geographies (Census Tracts)	85	8	14	46	28	4
Population by Geography *	368,536	9	15	47	29	Negligible
Owner-Occupied Housing by Geography*	66,800	2	11	53	34	0
Business by Geography – 2006	111,984	5	13	26	19	37
Family Distribution by Income Level	100,164	18	19	25	38	0
Distribution of Low and Moderate Income Families throughout AA Geographies*	(Low) 14,456 (Mod) 15,848 30,304	14	25	47	14	0
HUD Adjusted Median Family Income for 2006 Households (HH) Below Poverty Level	\$56,150 11%	Median Housing Value Unemployment Rate		\$154,118 2.26%		

Source: CRA Wiz-2000 US Census Demographic Data; 2000 US Census

Community Contacts

A review of community contacts for this assessment area showed a strong ongoing need for affordable housing. This includes multi-family housing as well as single family residences. Many indicated that they could still use grants and donations for various purposes, as well.

Other needs identified include credit, homebuyer, pre-purchase counseling, and other related financial literacy training targeting adults as well as student-age children; economic development in areas identified by various governments for rehabilitation; healthcare for low- and moderate-income families and individuals; and childcare for low- and moderate- income families during the workday, including after-school programs for “at-risk” youth.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Scope of Evaluation

The evaluation of the bank’s lending performance is based upon a sample review of loans that originated during the year 2006. The sample incorporated Construction and Land Development Loans and Commercial/ Industrial (including commercial real estate). Home mortgage and consumer loans were not reviewed during this assessment period, as they do not represent a substantial majority of the bank’s lending. The loans that were reviewed and targeted for CRA Examination included 44 businesses related loans totaling \$ 8,982,128, and 49 construction real estate development loans totaling \$17,759,862 for YTD 2006.

A review of FDIC records, as well as the bank’s CRA Public File, did not reveal any complaints since the last CRA evaluation of November 19, 2001.

Lending in the Assessment Area

CCB's lending levels reflects an excellent response in meeting the credit needs within the banks assessment area. As shown in Table 5, the bank originated a larger amount of construction land development and small business loans to customers within the bank's assessment area (93-inside vs. 13-outside). The dollar volume represented is \$ 26,742,000 (inside) vs. \$ 6,066,000 (outside). The table further shows the percentages of number/dollar of loans amounts originated within the assessment area.

The bank's commitment to small business lending within its assessment area, has been generally consistent with its business strategy and lending capabilities, as evidenced by the number of loans originated in the assessment area, and supported by the distribution patterns within varied geographies to businesses of different revenues sizes. Further details are provided in the tables shown subsequently in this evaluation.

TABLE 5 – DISTRIBUTION OF LOANS INSIDE AND OUTSIDE THE ASSESSMENT AREA UTAH COUNTY										
Year / Loan Type:	Number of Loans					Dollar Volume of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total \$(000)
	#	%	#	%		\$(000)	%	\$(000)	%	
2006: Small Business	44	94	3	6	47	8,982	34	5,684	94	14,666
2006: Construction & Land Development	49	83	10	17	59	17,760	66	381	6	18,141
Totals	93	88	13	12	106	26,742	82	6,066	18	32,807

Geographic Distribution of Lending

The bank's geographic distribution of small business loans for the period reviewed reflects adequate penetration by geography throughout the assessment area. The analysis reflects a lesser emphasis on the overall performance, for rating purposes since banks can do very little to dictate where businesses are located or where land is available for development or construction.

Table 6, illustrates the dispersion of the small business loans by geography for year-to-date 2006. For comparison purposes, aggregate lending as well as the distribution of small businesses by census tract income levels are shown.

Table 6 - Distribution of Small Business Loans by Geography Utah County / Activity Year 2006							
Census Tract Income Level	Total Percentage of Small Businesses By Tract	Aggregate Lending Income Data by Number and Dollar Percentage *		Capital Community Bank's Performance			
				Number of Loans Sampled		Dollar Volume (000) Of Loans Sampled	
		#	\$\$	#	%	\$	%
Low	5	2%	3%	1	2	70	1
Moderate	13	13%	14%	6	14	721	8
Middle	26	48%	51%	22	50	4,681	52
Upper	19	34%	30%	15	34	3,510	39
N/A	37	3%	2%	0	0	0	0
Total	100	100%	100%	44	100	8,982	100

The bank's performance as shown is similar to the comparative data shown by number of loans but less similar by dollar volume.

Table 7 illustrates the dispersion of construction land development loans for year-to-date 2006. Although the percentage of businesses by tract is shown, there is no real good comparative data available for this type of lending. CRA reporting is not required for this loan type, and generally, this type of lending has to be done where land is available for such purpose. Aggregate data is not available.

Table 7 - Distribution of Construction and Land Development Loans by Geography Utah County / Activity Year 2006							
Census Tract Income Level	Total Percentage of Small Businesses By Tract	Capital Community Bank's Performance					
		Number of Loans Sampled		Dollar Volume (000) Of Loans Sampled			
		#	%	\$	%		
Low	5	0	0	0	0		
Moderate	13	2	4	1,073	6		
Middle	26	22	45	8,825	50		
Upper	19	25	51	7,862	44		
N/A	37	0	0	0	0		
Total	100	49	100	17,760	100		

The bank's lending patterns are generally adequate given the fact that this type of loan is not available in the area's low/moderate tracts.

These tracts are primarily located in the commercial areas of downtown Provo that contain high numbers of student housing and non-owner occupied rental housing, with some commercial integration. There is almost no undeveloped raw land available.

Lending to Businesses of Different Sizes

The distribution of small business loans reflects this dispersion among businesses of different revenue sizes, given the bank's business focus and strategy. Table 8 below, depicts the degree of lending to small businesses of different revenue sizes for year to date 2006 within the assessment area. The bank's lending patterns are excellent.

Table 8 - Distribution of Small Business Loans by Gross Annual Revenues of Businesses Utah County / Activity Year 2006						
Gross Annual Revenues (000s)	Number of Businesses By Size %	2006 Aggregate Lending % of #/\$	CCB-2006 Performance for Small Business by # / %		CCB-2006 Performance for Small Business by \$ / %	
			#	%	\$	%
< \$100			10	23	1,459	16
> \$100 - \$250			11	25	2,363	26
\$250 to \$500			8	18	1,006	11
\$500 to \$750			1	2	472	5
\$750 to \$1,000			1	2	25	1
Subtotal (≤ \$1,000)	59	50% / 44%	31	70	5,325	59
> \$1,000	4	47% / 54%	13	30	3,658	41
Revenues Not Reported	37	3% / 2%	0	0	0	0
Total	100	100/100	44	100%	8,983	100%

The distribution of small business loans by number and dollar volume shown in table 8 reflects an excellent distribution as compared to the comparative data. The bank meets the comparative data in all aspects and exceeds the aggregate data, reflecting excellent responsiveness to the business community served by the bank. It also shows that the bank is attempting to focus on the credit needs of smaller businesses within its assessment area.

Table 9 depicts the degree of lending to construction firms and land developers of different revenue sizes for year to date 2006 within the assessment area.

Table 9 - Distribution of Construction Land Development Loans by Gross Annual Revenues of Businesses Utah County / Activity Year 2006					
Gross Annual Revenues (000s)	Number of Businesses By Size %	CCB-2006 Performance for Small Business by # / %		CCB-2006 Performance for Small Business by \$ / %	
		#	%	\$	%
< \$100		10	21	5,452	31
> \$100 - \$150		7	14	3,291	19
\$250 to \$500		7	14	2,573	14
\$500 to \$750		3	6	541	3
\$750 to \$1,000		5	10	1,263	7
Subtotal (< \$1,000)	59	32	65	13,120	74
> \$1,000	4	17	35	4,640	26
Revenues Not Reported	37	0	0	0	0
Total	100	49	100%	17,760	100%

Sources: 2005 CRA MSA Aggregate Report Small Business Lending Data; ***Loan Sample and Bank Records.

Table 9 illustrates the distribution of construction and land development loans for year-to-date 2006 according to the size (annual revenue) of the business. Although the percentage of businesses by revenue is shown (normally as comparative data), there is no adequate comparative data available for this type of lending. CRA reporting is not required for this loan type, and generally, this type of lending has to be done where land is available for such purpose. Consequently, aggregate data is also not available.

However, the bank's performance data shows a good distribution among the revenue categories shown. Performance is considered adequate.

Loan-To-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio shows adequate responsiveness to the assessment area credit needs given its business focus, asset size, and financial condition. Between September 30, 2001, and September 30, 2006, the institution's average loan-to-deposit ratio was 78%, as calculated from the quarterly Reports of Income and Condition. Since the last CRA examination the institution's ratio has decreased from 83% as of September 30 2001 to 78% as of September 30, 2006. Nevertheless, the bank's average loan-to-deposit ratio is considered adequate considering the institution's asset size, financial condition, and business plan. Table 10 below lists the institution's quarterly Loan-to-Deposit Ratio since the institution's last CRA Exam in November 2001.

Table 10 -Quarterly Net Loan-to Deposit Ratios	
Call Report Date	Ratio (%)
09/30/2006	83%
06/30/2006	84%
03/31/2006	80%
12/31/2005	85%
09/30/2005	80%
06/30/2005	80%
03/31/2005	80%
12/31/2004	73%
09/30/2004	65%
06/30/2004	66%
03/31/2004	54%
12/31/2003	66%
09/30/2003	76%
06/30/2003	68%
03/31/2003	79%
12/31/2002	90%
09/30/2002	81%
06/30/2002	90%
03/31/2002	85%
12/31/2001	88%
09/30/2001	76%
Average Loan-to-Deposit Ratio over Twenty One Quarters	78%

Source: Consolidated Reports of Condition & Income

Response to Complaints

CCB has not received any CRA-related complaints since the last CRA Examination of November 19, 2001.

Compliance with Anti-discrimination Laws and Regulations

No substantive violations of anti-discriminatory regulations were identified during the examination.